

## SENATE BILL No. 173

---

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.4-2; IC 6-1.1-12.4-3.

**Synopsis:** Investment deduction. Extends the availability of the property tax investment deduction for real property to qualifying improvements of real property that are first assessed after March 1, 2007, and before March 2, 2009. Extends the availability of the property tax investment deduction for personal property to qualifying personal property that is purchased after March 1, 2007, and before March 2, 2009.

**Effective:** Upon passage; July 1, 2007 (retroactive).

---

---

### Boots

---

---

January 8, 2008, read first time and referred to Committee on Appropriations.

---

---

C  
o  
p  
y



Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## SENATE BILL No. 173

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-12.4-2, AS AMENDED BY P.L.219-2007,  
2 SECTION 34, AND AS AMENDED BY P.L.234-2007, SECTION 38,  
3 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2007 (RETROACTIVE)]: Sec. 2. (a) For  
5 purposes of this section, an increase in the assessed value of real  
6 property is determined in the same manner that an increase in the  
7 assessed value of real property is determined for purposes of  
8 IC 6-1.1-12.1.  
9 (b) This subsection applies only to a development, redevelopment,  
10 or rehabilitation that is first assessed after March 1, 2005, and before  
11 March 2, ~~2009-2007~~. **2009**. Except as provided in subsection (h) and  
12 sections 4, 5, and 8 of this chapter, an owner of real property that:  
13 (1) develops, redevelops, or rehabilitates the real property; and  
14 (2) creates or retains employment from the development,  
15 redevelopment, or rehabilitation;  
16 is entitled to a deduction from the assessed value of the real property.  
17 (c) *Subject to section 14 of this chapter*, the deduction under this



C  
o  
p  
y

section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars (\$2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

| YEAR OF DEDUCTION | PERCENTAGE |
|-------------------|------------|
| 1st               | 75%        |
| 2nd               | 50%        |
| 3rd               | 25%        |

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a general reassessment of real property under IC 6-1.1-4-4; or

(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 2. IC 6-1.1-12.4-3, AS AMENDED BY P.L.219-2007, SECTION 35, AND AS AMENDED BY P.L.234-2007, SECTION 39, IS CORRECTED AND AMENDED TO READ AS FOLLOWS

C  
o  
p  
y



[EFFECTIVE JULY 1, 2007 (RETROACTIVE)]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, ~~2009~~ ~~2007~~ **2009**. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

(1) was never before used by its owner for any purpose in Indiana; and

(2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) *Subject to section 14 of this chapter*, the deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

(1) two million dollars (\$2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the purchase of the personal property; multiplied by

(B) the percentage from the following table:

| YEAR OF DEDUCTION | PERCENTAGE |
|-------------------|------------|
| 1st               | 75%        |
| 2nd               | 50%        |
| 3rd               | 25%        |

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor shall:

(1) identify the personal property eligible for the deduction to the county auditor; and

(2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

(1) make the deductions; and

C  
o  
p  
y



1 (2) notify the county property tax assessment board of appeals of  
2 all deductions approved;  
3 under this section.

4 (g) The deduction under this section does not apply to personal  
5 property at a facility listed in IC 6-1.1-12.1-3(e).

6 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) **This SECTION**  
7 **applies only to a development, redevelopment, or rehabilitation**  
8 **that is first assessed after March 1, 2007, and before March 2,**  
9 **2008.**

10 (b) The definitions in IC 6-1.1-12.4 apply throughout this  
11 SECTION.

12 (c) Notwithstanding any rule adopted by the department of local  
13 government finance under IC 6-1.1-12.4-2, as amended by this act,  
14 if IC 6-1.1-12.4-2(b), as amended by this act, applies to a property  
15 owner's development, redevelopment, or rehabilitation of real  
16 property, the property owner may file the notice required by  
17 IC 6-1.1-12.4-2(d), as amended by this act, before July 1, 2008.

18 SECTION 4. An emergency is declared for this act.

C  
o  
p  
y

